

# Trusts

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As a financial institution, you will receive requests from customers to purchase, redeem, and reissue paper savings bonds involving trust registrations. This chapter provides you with information needed to handle many routine requests you may encounter.

A trust is a right of property, real or personal, held by one party for the benefit of another. It is a written, legal document that creates an entity to which an individual can transfer ownership of his/her assets. The person who creates the trust is called the **grantor**. The **trustee** is the person who will manage the assets of the trust. A **successor trustee** is the person who will manage the assets of the trust if the initial trustee is no longer able to manage the trust due to death, illness, or resignation. A person who receives the benefit of the trust's assets is called the **beneficiary**.

There are two types of trusts used with savings bonds:

1. **Personal Trust** – created by natural persons for the benefit of themselves or other individuals. Personal trusts can be either revocable or irrevocable and are referred to as the following:
  - Declaration of Trust (U/D/T) – the grantor and trustee are the same person.
  - Trust under Agreement (U/A) – the grantor and trustee are different persons.
2. **Testamentary Trust** – created under a will (U/W) and does not take effect until the grantor is deceased.

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## Purchasing Savings Bonds in a Trust Registration

When a customer wants to purchase savings bonds in a trust registration, he/she will need to complete a special fiduciary purchase application. Form PDF 5263-1 *Order for Series EE U.S. Savings Bonds To Be Registered In Name of Fiduciary* should be used to purchase Series EE bonds in a trust registration. Form PDF 5374-1 *Series I Order for U.S. Savings Bonds To Be Registered In Name of Fiduciary* should be used to purchase Series I bonds in a trust registration.

There are four important elements required in a trust registration:

- The name(s) of the trustee(s).
- The name(s) of the grantor(s).
- The nature of the trust.
- The date the trust was established (month, day, and year).

If the Internal Revenue Service has assigned a tax identification number to the trust, use that number on the purchase application. If no such number has been or is being assigned to the trust, use the grantor's social security number.

As with single owner registrations, the annual purchase limit per trust registration is \$10,000 face value for paper Series EE bonds, and \$5,000 face value for paper Series I bonds. This amount is in addition to any purchases registered in an individual investor's name, or any purchases made in TreasuryDirect®.

Description of Trust	Registration	Abbreviation
The grantor and trustee are the same person.	“John Doe trustee under declaration of trust dated 1/31/03.”	“John Doe Tr U/D/T dtd 1/31/03.”
The grantor and trustee are different persons.	“Mary Smith trustee under agreement with John Doe dated 1/31/03.”	“Mary Smith Tr U/A John Doe dtd 1/31/03.”
The trust is a family trust.	“Mary Smith trustee of the Smith Family Trust dated 1/31/03.”	“Mary Smith Tr of the Smith Fam Tr dtd 1/31/03.”
The trust is a testamentary trust created under a will and does not take effect until the grantor is deceased.	“Mary Smith trustee under the will of John Doe, deceased.”	“Mary Smith Tr U/W John Doe dec’d.”

Note: The servicing TRS site will use the abbreviated form whenever possible. *For additional trust registrations, see Appendix A, or DCPD 3-80 for Series EE bonds and DCPD 2-98 for Series I bonds.*

## Redeeming Savings Bonds in a Trust Registration

As a paying agent of United States Savings Bonds, your institution is authorized to redeem savings bonds registered in a trust inscription. Report the interest under the social security number or employer/estate identification number of the trust. Your financial institution may pay these bonds **when**:

- The person(s) requesting payment is the trustee(s) named on the bond(s).
- The trustee(s) named on the bond(s) signs the request for payment on the back of the bond(s) as trustee(s) in your presence.
- The amount being redeemed does not exceed the identification limit stated in *The Guide for Cashing Savings Bonds* (PD P 0022), and the transaction is conducted according to the rules in that guide. (See Appendix D.)
- The bonds are at least 12 months old.

To complete the transaction under these conditions, have the trustee(s) sign the back of each bond, including the capacity in which he or she is acting, and pay the trustee(s) in his or her fiduciary capacity. Report the taxable income under the trust.

Go to the Legal Rep tab in *The Guide to Cashing Savings Bonds* (PD P 0022) for step-by-step instructions.

**All other requests for redemption should be forwarded to the Bureau of the Public Debt, according to the following guidelines:**

- Personal Trust – Provide a copy of the entire trust instrument and any amendments. The copy of the trust instrument (and any amendments, if applicable) must contain a statement by the person having custody of the original that it is a true and correct copy.
- Testamentary Trust – Provide a certified copy of the will, under court seal. (The will must be probated in order for a testamentary trust to be effective.)

If the trustee named in the registration of the bond(s) is no longer acting, you must also provide one of the following:

- A certified copy of the trustee’s death certificate.
- A letter of resignation.

If the trust instrument or will does not name a successor trustee, you must provide a certified copy of the court order or other evidence.

An authorized trust registration should include the name(s) of the trustee(s), name(s) of the grantor(s), and, if applicable, the date that the trust was created.

*Note: Additional forms or documentation may be required depending on the transaction requested.*

Send the completed form(s), bond(s), and the trust instrument (if applicable) to Bureau of the Public Debt, P.O. Box 7012, Parkersburg, WV 26106-7012.

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## Reissuing Savings Bonds into a Trust Registration

Series E, EE, I, H, and HH savings bonds may be reissued into a trust registration using form PD F 1851, *Request to Reissue United States Savings Bonds to a Personal Trust*. This form allows living bond owners to re-register their bonds into a personal trust.

The inscription on the application should contain:

- The name of the trustee(s).
- The name of the grantor.
- The nature of the trust.
- The date the trust was created (month, date, and year).

Condition	Actions
The bonds are in single owner registration.	<ul style="list-style-type: none"><li>➤ Have the PD F 1851 signed by the owner of the bonds.</li><li>➤ Certify the signature on the application using your institution's official stamp or seal, signature guarantee stamp, or issuing/paying agent validation stamp.</li><li>➤ Have the trustee complete and sign the direct deposit authorization on PD F 5396, if Series H/HH are involved.</li></ul>
The bonds are registered as single owner with a beneficiary.	<ul style="list-style-type: none"><li>➤ Have the PD F 1851 signed by the owner of the bonds.</li><li>➤ Have the beneficiary sign the PD F 1851, if Series E or H bonds are involved. If the beneficiary is deceased, provide a certified copy of the beneficiary's death certificate.</li><li>➤ Certify the signature(s) on the application using your institution's official stamp or seal, signature guarantee stamp, or issuing/paying agent validation stamp.</li><li>➤ Have the trustee complete and sign the direct deposit authorization on PD F 5396, if Series H/HH bonds are involved.</li></ul>
The bonds are in co-owner registration.	<ul style="list-style-type: none"><li>➤ Have the PD F 1851 signed by both co-owners named on the bonds. If one co-owner is deceased, provide a certified copy of the deceased co-owner's death certificate.</li><li>➤ Certify the signature(s) on the application using your institution's official stamp or seal, signature guarantee stamp, or issuing/paying agent validation stamp.</li><li>➤ Have the trustee complete and sign the direct deposit authorization on PD F 5396, if Series H/HH bonds are involved.</li></ul>

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## Other Reissues Involving Trust Registrations

Once bonds are issued in a trust registration, circumstances may change which require the bonds be reissued to a new registration. Customers may request to reissue bonds to change the trust registration for the following reasons:

- Change of trustee – The trustee may change due to death, resignation, or removal.
- Termination of trust – The trust may terminate after a specific period of time, upon a specific event, or at the death of the grantor.
- Revocation of trust – The grantor of the trust may decide to revoke or nullify the trust in its entirety.
- Distribution of estate – The grantor dies and the bonds are to be distributed to specific individuals.
- Distribution of trust – The grantor is living, the trust is not revoked or terminated, and the grantor wishes to reissue bonds out of the trust registration.

Form PD F 1455, *Request by Fiduciary for Distribution of United States Treasury Securities*, is required to distribute bonds due to the termination or distribution of a trust/estate. Form PD F 4000, *Request to Reissue United States Savings Bonds*, is required to reissue bonds due to a change in trustee or revocation of trust. The reason for distribution or reissue must be shown on the appropriate form where indicated.

### Additional Requirements

- Personal Trust – Provide a copy of the entire trust instrument and any amendments. The copy of the trust instrument (and any amendments, if applicable) must contain a statement by the person having custody of the original that it is a true and correct copy.
- Testamentary Trust – Provide a certified copy of the will, under court seal. (The will must be probated in order for a testamentary trust to be effective.)

If the trustee named in the registration of the bond(s) is no longer acting, you must also provide one of the following:

- A certified copy of the trustee's death certificate.
- A letter of resignation.

If the trust instrument or will does not name a successor trustee, you must provide a certified copy of the court order or other evidence.

An authorized trust registration should include the name(s) of the trustee(s), name(s) of the grantor(s), and, if applicable, the date that the trust was created.

*Note: Additional forms or documentation may be required depending on the transaction requested.*

Send the completed form(s), bond(s), and the trust instrument (if applicable) to Bureau of the Public Debt, P.O. Box 7012, Parkersburg, WV 26106-7012.